

HOUSE BILL No. 1210

DIGEST OF INTRODUCED BILL

Citations Affected: IC 21-13-10; IC 21-18.5-4-3.

Synopsis: Teacher loan repayment. Provides an educational loan repayment for a public elementary or high school teacher who: (1) was in the highest 20% of the individual's high school graduating classes or in the top twentieth percentile on the SAT or ACT examination; (2) graduated from college with at least a 3.5 grade point average; and (3) teaches science, technology, engineering, mathematics, or special education, or teaches in a critical shortage geographic area; in a public school in Indiana. Provides that at the end of the third consecutive year the teacher teaches, the commission for higher education makes a payment of \$9,000 or the balance of the teacher's student loans (whichever is less) directly to the financial institution that holds the teacher's student loans.

Effective: July 1, 2014.

Moed, Arnold L, VanDenburgh

January 14, 2014, read first time and referred to Committee on Education.



Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1210

A BILL FOR AN ACT to amend the Indiana Code concerning higher education.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 21-13-10 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2014]:
4 **Chapter 10. Teacher Loan Repayment Program and Fund**
5 **Sec. 1. As used in this chapter, "critical shortage area" means**
6 **a geographic area determined annually by the department of**
7 **education established by IC 20-19-3-1 to have, or projected within**
8 **the next twelve (12) months to have, a shortage of licensed,**
9 **full-time elementary or high school teachers.**
10 **Sec. 2. As used in this chapter, "fund" refers to the teacher loan**
11 **repayment fund established by section 3 of this chapter.**
12 **Sec. 3. (a) The teacher loan repayment fund is established.**
13 **(b) The purpose of the fund is to attract qualified teachers who:**
14 **(1) graduated from an accredited Indiana high school after**
15 **June 30, 2014, and either:**
16 **(A) were in the highest twenty percent (20%) of students**



- 1 **in their high school graduating classes; or**
 2 **(B) received scores in the top twentieth percentile on the**
 3 **SAT or ACT examination;**
 4 **(2) graduated from a four-year post-secondary educational**
 5 **institution with at least a 3.5 grade point average on a 4.0**
 6 **scale or its equivalent; and**
 7 **(3) teach, for at three (3) consecutive years in public schools**
 8 **in Indiana:**
 9 **(A) science, technology, engineering, mathematics, or**
 10 **special education classes; or**
 11 **(B) in a critical shortage area;**
 12 **by granting loan repayment assistance authorized under this**
 13 **chapter to eligible applicants.**
 14 **(c) The fund consists of appropriations to the fund and gifts,**
 15 **grants, devises, or bequests made to the state to achieve the**
 16 **purposes of the fund.**
 17 **(d) The fund shall be administered by the commission. The**
 18 **expenses of administering the fund shall be paid from money in the**
 19 **fund.**
 20 **(e) Loan repayment assistance payments shall be made from the**
 21 **fund by the treasurer of state upon a warrant issued by the auditor**
 22 **of state in accordance with rules adopted by the commission.**
 23 **Sec. 4. The commission shall receive and consider all**
 24 **applications for loan repayment assistance received from qualified**
 25 **teachers with outstanding guaranteed student loans made, issued,**
 26 **or guaranteed under a program authorized by Title IV of the**
 27 **federal Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).**
 28 **Sec. 5. (a) To qualify for loan repayment assistance for student**
 29 **loans under this chapter, an applicant must:**
 30 **(1) hold a license to teach under IC 20-28-5;**
 31 **(2) agree in writing to the employment requirements set forth**
 32 **in section 7 of this chapter; and**
 33 **(3) meet any additional criteria established by the**
 34 **commission.**
 35 **(b) At the end of the third consecutive school year in which a**
 36 **teacher who qualifies under subsection (a) has taught, the**
 37 **commission shall pay directly to the financial institution that holds**
 38 **the qualified teacher's student loans an amount not to exceed the**
 39 **lesser of:**
 40 **(1) the total principal and interest of the guaranteed student**
 41 **loans owed by the teacher at the end of the third year; or**
 42 **(2) nine thousand dollars (\$9,000);**



1 which must be used to reduce the principal and interest on a
2 guaranteed student loan owed by that qualified teacher.

3 **Sec. 6. A qualified teacher must apply for a loan repayment on**
4 **a form supplied by the commission. The commission shall consider**
5 **each application and determine the eligibility of the applicant for**
6 **the loan repayment assistance.**

7 **Sec. 7. (a) Before being granted loan repayment assistance**
8 **under this chapter, a teacher must:**

9 (1) **apply for the loan repayment assistance not later than**
10 **twenty-four (24) months after graduating from a**
11 **postsecondary educational institution; and**

12 (2) **enter into a contract with the commission agreeing to the**
13 **terms and conditions upon which the loan repayment**
14 **assistance will be granted to the teacher.**

15 (b) **As a condition of being granted loan repayment assistance**
16 **under this chapter, a teacher must agree to employment for a**
17 **period of at least three (3) consecutive years as a licensed teacher**
18 **in a public school in Indiana in science, technology, engineering,**
19 **mathematics, or special education, or in a critical shortage area.**
20 **The teacher is not required to teach at the same public school for**
21 **three (3) consecutive years.**

22 (c) **Service rendered by a teacher in a public school before the**
23 **teacher becomes a participant in the program may not be**
24 **considered to have fulfilled the employment commitment required**
25 **by subsection (b).**

26 **Sec. 8. The commission shall maintain complete and accurate**
27 **records in implementing the fund, including records of the**
28 **following:**

29 (1) **The receipt, disbursement, and uses of money from the**
30 **fund.**

31 (2) **The number of applications for loan repayment assistance.**

32 (3) **The number and amount of loans for which loan**
33 **repayment assistance has been provided by the department.**

34 (4) **Other pertinent information requested by the commission.**

35 **Sec. 9. The commission may adopt rules under IC 4-22-2**
36 **necessary to carry out this chapter, including rules governing the**
37 **enforcement of any employment requirements.**

38 SECTION 2. IC 21-18.5-4-3, AS ADDED BY P.L.107-2012,
39 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2014]: Sec. 3. For purposes of administering this chapter, the
41 commission shall do the following:

42 (1) Prepare and supervise the issuance of public information



- 1 concerning this chapter, IC 21-12-2, IC 21-12-3, IC 21-12-4, and
2 IC 21-12-5.
- 3 (2) Prescribe the form and regulate the submission of applications
4 for higher education awards and the commission's programs.
- 5 (3) Conduct conferences and interviews with applicants as
6 appropriate.
- 7 (4) Determine the eligibility of applicants.
- 8 (5) Select qualified applicants.
- 9 (6) Determine annually the maximum higher education award
10 (IC 21-12-3) and freedom of choice award (IC 21-12-4), subject
11 to approval by the budget agency with review by the budget
12 committee.
- 13 (7) Determine the respective amounts of, and award, the
14 appropriate higher education awards, grants, and scholarships.
- 15 (8) Determine eligibility for, and award, annual renewals of
16 higher education awards, grants, and scholarships.
- 17 (9) Act as the designated state agency for participation in any
18 federal program for reinsurance of student loans.
- 19 (10) Receive federal funds made available to the commission for
20 awards, grants, and scholarships, and disburse these funds in the
21 manner prescribed by federal law.
- 22 (11) One (1) time every year, submit a report to the legislative
23 council that provides data and statistical information regarding
24 the number of individuals who received assistance under
25 IC 21-12-6 and IC 21-12-6.5. The report made to the legislative
26 council must be in an electronic format under IC 5-14-6.
- 27 (12) One (1) time every year, submit a report to the budget
28 committee that provides data and statistical information regarding
29 the number of individuals who received assistance under
30 IC 21-12, IC 21-13, and IC 21-14.
- 31 **(13) Administer and determine the eligibility of applicants for,
32 and award amounts under, the teacher loan repayment
33 program established by IC 21-13-10.**

